



BEFORE THE ARIZONA CORPORATION COMMISSION

CARL J. KUNASEK
Chairman

JIM IRVIN
Commissioner

WILLIAM A. MUNDELL
Commissioner

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DOCKET NO. T-00000B-97-238
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IN THE MATTER OF U S WEST
COMMUNICATIONS, INC.'S
COMPLIANCE WITH § 271 OF THE
TELECOMMUNICATIONS ACT
OF 1996

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)
) DOCKET NO. T-00000B-97-238
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SUPPLEMENT TO
MCI WORLDCOM'S COMMENTS ADDRESSING SECTION 271
CHECKLIST ITEMS 3 AND 13 AND U S WEST'S SGAT PROVISIONS

MCI WorldCom, Inc. "MCIW" filed its comments on those provisions of U S WEST's Statement of Generally Accepted Terms ("SGAT") of U S WEST Communications, Inc. ("U S WEST") that relate to Section 271 Checklist Items 3 and 13 on February 8, 2000. Attachments 1 and 2 were included in that filing with MCI's proposed SGAT provisions. MCIW hereby files amended Attachments 1 and 2, which are redlined versions of those SGAT provisions.

Dated: February 9, 2000

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COPY of the foregoing hand-
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A handwritten signature in cursive script, reading "Betty J. Griffin", is written over a horizontal line.

ATTACHMENT 1

STATEMENT OF GENERALLY AVAILABLE TERMS AND CONDITIONS FOR INTERCONNECTION, UNBUNDLED NETWORK ELEMENTS, ANCILLARY SERVICES, AND RESALE OF TELECOMMUNICATION SERVICES PROVIDED BY U S WEST COMMUNICATIONS, INC. IN THE STATE OF ARIZONA (FIRST REVISED)

* * *

10.8 Access to Poles, Ducts, Conduits, and Rights of Way

10.8.1 Description

10.8.1.1 Pole Attachments - U S WEST will lease available pole attachment space to CLEC for the placing of CLEC's facilities for the purpose of transmitting Telecommunications Services.

~~10.8.1.2~~ 10.8.1.2 Ducts and Conduits - U S WEST will lease available underground ducts/conduits to CLEC for the purpose of placing CLEC's facilities for transmitting Telecommunications Services. A spare conduit will be leased for copper facilities only, and an innerduct for the purpose of placing fiber. CLEC may place innerduct in an empty conduit for its own use.

~~10.8.1.3~~ Rights-of-Way (ROW) US West will lease available rights-of-way to CLEC for the purpose of placing CLEC's facilities for transmitting Telecommunication Services. Rights of way includes land or other property owned or controlled by US West and may run under, on, above, across, along or through public or private property or enter multi-unit buildings (including air spaces and may include the right to use building entrance facilities, building entrance links, equipment rooms, remote terminals, cable vaults, telephone closets and/or building risers.

10.8.2 Terms and Conditions

U S WEST shall provide CLEC non-discriminatory access to poles, ducts, conduit and rights of way on terms and conditions found in the U S WEST Pole and Attachment and/or Innerduct Occupancy General Terms and Conditions attached hereto as Attachment I. U S WEST will not favor itself over CLEC when provisioning access to poles, ducts, conduits and rights of way. U S WEST shall not give itself preference when assigning space.

10.8.2.1 Subject to the provisions of this SGAT, U S WEST agrees to issue to CLEC authorization for CLEC to attach, operate, maintain, rearrange, transfer and remove at its sole expense its facilities on poles/innerduct or ROW owned or

controlled in whole or in part by U S WEST, subject to Orders placed by CLEC. Any and all rights granted to CLEC shall be subject to and subordinate to any future local, state and/or federal requirements.

10.8.2.2 U S WEST will rely on such codes as the National Electrical Safety Code (NESC) to prescribe standards with respect to capacity, safety, reliability, and general engineering principles.

10.8.2.3 Federal requirements, such as those imposed by Federal Energy Regulatory Commission (FERC) and Occupational Safety and Health Administration (OSHA), will continue to apply to the extent such requirements affect requests for attachments or occupancy to U S WEST facilities under Section 224(f)(1) of the Act.

10.8.2.4 CLEC shall provide a map of the requested, ROW, poles/innerduct route, including estimated distances between major points, the identification and location of the poles/innerduct and ROW and a description of CLEC's facilities. U S WEST agrees to provide to CLEC relevant plats, maps, engineering records and other data within ~~a reasonable time of receiving~~ 10 days following receipt of a bona fide request for such information.

10.8.2.5 Except as expressly provided herein, or in the Pole Attachment Act of 1934 as amended and its regulations and rules, nothing herein shall be construed to compel U S WEST to construct, install, modify or place any poles/innerduct or other facility for use by CLEC.

10.8.2.6 U S WEST retains the right to determine the availability of space on poles/innerduct consistent with 47 USC § 224 and FCC rules and regulations pursuant to 47 USC § 224. In the event U S WEST determines that rearrangement of the existing facilities on poles/innerduct is required before CLEC's facilities can be accommodated, the actual cost of such modification will be included in CLEC's nonrecurring charges for the associated Order ("Make-Ready fee"). When modifications to a U S WEST spare conduit include the placement of innerduct, U S WEST or CLEC will install the number of innerduct required to fill the conduit structure to its full capacity.

10.8.2.7 U S WEST shall make manhole ingress and egress for Innerduct access available to CLEC. U S WEST will perform a feasibility study to determine whether to provide a stub out via the pre-constructed knock out within the manhole, or to perform a core drill of the manhole.

10.8.2.8 Where such authority does not already exist, CLEC shall be responsible for obtaining the necessary legal authority to occupy ROW, poles/innerduct on governmental, federal, Native American, and private rights of way. CLEC shall obtain any permits, licenses, bonds, or other necessary legal authority and permission, at CLEC's sole expense, in order to perform its obligations under this SGAT. CLEC shall contact all owners of public and private rights-of-way to obtain the permission required to perform the work prior to entering the property or starting any work thereon. CLEC shall comply with all

conditions of rights-of-way and permits. Once such permission is obtained, all such work ~~will~~ may be performed by CLEC or U S WEST at the option of CLEC.

10.8.2.9 Access to a U S WEST Central Office manhole will be permitted ~~on a case-by-case basis.~~ If space is available, U S WEST will allow access through the Central Office manhole to the POI (Point of Interconnection). No splices will be allowed in the Central Office manhole.

10.8.2.10 If CLEC requests U S WEST to replace or modify existing poles/innerduct to increase its strength or capacity for the sole benefit of CLEC, CLEC shall pay U S WEST the total actual replacement cost, U S WEST's actual cost to transfer its attachments to new poles/innerduct, as necessary, and the actual cost for removal (including actual destruction fees) of the replaced poles/innerduct, if necessary. Ownership of new poles/innerduct shall vest to U S WEST. Upon request, U S WEST ~~may~~ shall permit CLEC to install poles/innerduct. U S WEST reserves the right to reject any non-conforming replacement poles/innerduct installed by CLEC which do not conform to the NESC. To the extent that a modification is incurred for the benefit of multiple parties, CLEC shall pay a proportionate share of the total actual cost based on the ratio of the amount of new space occupied by the facilities of CLEC to the total amount of space occupied by all parties including US West or its affiliates joining the modification. Parties who do not initiate, request or receive additional space from a modification, are not required to share in the cost of the modification. ~~Modifications that occur in order to bring poles/innerduct into compliance with applicable safety or other requirements shall be deemed to be for the benefit of multiple parties and CLEC shall be responsible for its share of the modification cost.~~ A CLEC, US WEST or other party that uses a modification as an opportunity to bring its facilities into compliance with applicable safety or other requirements will be deemed to be sharing in the modification and will be responsible for its share of the modification cost. U S WEST does not and will not favor itself over other carriers when provisioning access to poles, innerduct and rights-of-way.

10.8.2.11 Notification of modifications initiated by or on behalf of U S WEST and at U S WEST's expense shall be provided to CLEC at least sixty (60) calendar days prior to beginning modifications. Such notification shall include a brief description of the nature and scope of the modification. If CLEC does not respond to a requested rearrangement of its facilities within sixty (60) days after receipt of written notice from U S WEST requesting rearrangement, U S WEST may perform or have performed such rearrangement and CLEC shall pay the actual cost thereof. No such notice shall be required in emergency situations or for routine maintenance of poles/innerduct completed at U S WEST's expense.

10.8.2.12 U S WEST reserves the right to make ~~an~~ on-site/final construction, inspections of CLEC's facilities occupying the poles/innerduct system. CLEC shall reimburse U S WEST for the actual cost of such inspections except where specified in this Section.

10.8.2.13 When final construction inspection by U S WEST has been completed, CLEC shall correct such non-complying conditions within the reasonable period of time specified by U S WEST in its written notice. If corrections are not completed within the specified reasonable period, occupancy authorizations for the ROW, poles/innerduct system where non-complying conditions remain uncorrected shall suspend forthwith, regardless of whether CLEC has energized the facilities occupying said poles/innerduct or ROW system and CLEC shall remove its facilities from said poles/innerduct in accordance with the provisions of this Section, provided, however, if the corrections cannot be physically cured within such specified time and CLEC is diligently prosecuting such cure, CLEC shall be granted additional time to complete such cure. U S WEST may deny further occupancy authorization to CLEC until such non-complying conditions are corrected or until CLEC's facilities are removed from the poles/innerduct system where such non-complying conditions exist. If agreed between both Parties, U S WEST shall perform or have performed such corrections and CLEC shall pay U S WEST the actual cost of performing such work. Subsequent inspections to determine if appropriate corrective actions have been taken may be made by U S WEST.

10.8.2.14 Once CLEC's facilities begin occupying the poles/innerduct system, U S WEST may perform periodic inspections no more than once per year of CLEC's facilities. U S WEST shall bear the cost of such inspections unless the results of the inspection reveal any violation or hazard, or that CLEC has in any other way failed to comply with the provisions of this SGAT; in which case CLEC shall reimburse U S WEST the costs of inspections and re-inspections, as required. CLEC's representative may accompany U S WEST on such field inspections. The cost of periodic inspection or any special inspections found necessary due to the existence of sub-standard or unauthorized occupancies shall be billed separately.

10.8.2.15 The costs of inspections made during construction and/or the final construction survey and subsequent inspection shall be billed to CLEC upon completion of the inspections.

10.8.2.16 Final construction, subsequent, and periodic inspections or the failure to make such inspections, shall not impose any liability of any kind upon U S WEST nor relieve CLEC of any responsibilities, obligations, or liability assigned under this SGAT.

10.8.2.17 CLEC may use individual workers of its choice to perform any work necessary for the attaching of its facilities so long as such workers have the same or similar qualifications and training as U S WEST's workers. CLEC may use any contractor approved by U S WEST to perform Make-Ready Work.

10.8.2.18 If U S WEST terminates an order for cause, ~~or if CLEC terminates an order without cause,~~ CLEC shall pay termination charges equal to the amount of fees and charges remaining on the terminated order(s) and shall remove its facilities from the poles/innerduct within sixty (60) calendar days, or cause U S WEST to remove its facilities from the poles/innerduct at CLEC's expense;

provided, however, that CLEC shall be liable for and pay all fees and charges provided for in this SGAT to U S WEST until CLEC's facilities are physically removed. "Cause" as used herein shall include but not be limited to CLEC's use of its facilities in violation of any law or in aid of any unlawful act or making an unauthorized modification to U S WEST's poles/innerduct.

10.8.2.19 U S WEST may abandon or sell any poles/innerduct at any time by giving written notice to CLEC. Any poles, innerduct or ROW will be sold subject to all existing licenses. Upon abandonment of poles/innerduct, and with the concurrence of the other joint user(s), if necessary, CLEC shall, within sixty (60) calendar days of such notice, ~~either apply for usage with the new owner or will~~ either: 1) continue to occupy the pole/innerduct pursuant to its existing license if the poles/innerduct or ROW is purchased by another party, 2) purchase the poles/innerduct from U S WEST at the current market value, or 3) remove its facilities therefrom. Failure to remove its facilities within sixty (60) calendar days shall be deemed an election to purchase the poles/innerduct at the current market value if no other party purchases the pole/innerduct or ROW.

10.8.2.20 CLEC's facilities shall be placed and maintained in accordance with the requirements and specifications of the current applicable standards of Bellcore Manual of Construction Standards, the National Electrical Code, the National Electrical Safety Code, and the rules and regulations of the Occupational Safety and Health Act, all of which are incorporated by reference, and any governing authority having jurisdiction. Where a difference in specifications exists, the more stringent shall apply. Failure to maintain facilities in accordance with the above requirements or failure to cure as provided in Section 10.8.2.13 shall be cause for termination of the Order. U S WEST's procedures governing its standard maintenance practices shall be made available upon request for public inspection at the appropriate U S WEST premises CLEC's standard maintenance practices for facilities shall be made available to U S WEST upon request. CLEC shall in a timely manner comply with all requests from U S WEST to bring its facilities into compliance with these terms and conditions.

10.8.2.21 Should U S WEST under the provisions of this SGAT remove CLEC's facilities from the poles/innerduct covered by any Order, U S WEST will deliver the facilities removed upon payment by CLEC of the cost of removal, storage and delivery, and all other amounts due U S WEST. If CLEC removes facilities from poles/innerduct for other than repair or maintenance purposes, no replacement on the poles/innerduct shall be made until all outstanding charges due U S WEST for previous occupancy have been paid in full. CLEC shall advise U S WEST in writing as to the date on which the removal of facilities from the poles/innerduct has been completed.

10.8.2.22 If any facilities are found attached to poles/innerduct for which no agreement is in effect, U S WEST, without prejudice to its other rights or remedies under this SGAT, may assess a charge and CLEC agrees to pay a charge of \$200.00 per pole or \$200 per innerduct run between two manholes, plus payment as specified in this Section. CLEC is required to submit in writing,

within ~~ten (10)~~ thirty (30) days after receipt of written notification from U S WEST of the unauthorized occupancy, a poles/innerduct application. If such application is not received by U S WEST within the specified time period, CLEC will be required to remove its unauthorized facility within ~~ten (10) days~~ thirty 30 -of the final date for submitting the required application, or U S WEST may remove CLEC's facilities without liability, and the cost of such removal shall be borne by CLEC.

10.8.2.23 No act or failure to act by U S WEST with regard to an unauthorized occupancy shall be deemed as the authorization of the occupancy. Any subsequently issued authorization shall not operate retroactively or constitute a waiver by U S WEST of any of its rights or privileges under this SGAT or otherwise. CLEC shall be subject to all liabilities of the SGAT in regard to said unauthorized occupancy from its inception.

10.8.3 Rate Elements

U S WEST fees for attachments are in accordance with Section 224 of the Act and FCC rules promulgated thereunder, as well as the rates established by the Commission including the following rates, are reflected in Exhibit A.

10.8.3.1 Inquiry Fee. A pre-paid non-refundable, other than true-up, charge used to recover the costs associated with performing an internal record review to determine if a requested route and/or facility is available for lease.

10.8.3.2 Field Verification Fee. A pre-paid non-refundable, other than true-up, charge which recovers the estimated actual costs for a field survey verification required for a route and to determine scope of any required make-ready work. The estimated pre-paid fee shall be billed in advance.

10.8.3.3 Make-Ready Work. A pre-paid non-refundable, other than true-up, charge which recovers the cost of necessary work required to make the requested facility available for lease. For innerduct leases, this could include, but is not limited to, the placing of innerduct in conduit/duct systems or core drilling of manholes. For pole attachment requests, this could include, but is not limited to, the replacement of poles to meet required clearances over roads or land. The estimated pre-paid fee shall be billed in advance.

10.8.3.4 Pole Attachment Fee. An annual fee which is charged for the occupancy of one foot of pole space (except for antenna attachment which requires two feet).

10.8.3.5 Innerduct Occupancy Fee. An annual fee which is charged for the occupancy of an innerduct on a per foot basis.

10.8.4 Ordering

The Ordering Process has distinct steps for Innerduct and Pole Attachment:

10.8.4.1 Inquiry. Upon request for either Pole Attachment, ROW or Innerduct Occupancy, U S WEST will provide CLEC with a document of General Information for Pole Attachment and Innerduct Occupancy along with a description of the application process. The CLEC will review the documents and provide U S WEST with maps of the desired area indicating the routes and entrance points for attachment or occupancy. The CLEC will include the appropriate Inquiry Fee with its inquiry.

10.8.4.2 Inquiry Reviews.

a) a) Inquiry Review – Innerduct. U S WEST will complete the database inquiry and prepare a duct structure diagram (referred to as a “Flatline”) which shows distances and access points (such as manholes). Along with the Flatline will be estimated costs for field verification of available facilities. These materials will be provided to the CLEC within ten (10) calendar days or within the time frames of the applicable federal or state law, rule or regulation. This time frame is applicable to the standard inquiry of thirty (30) Utility PHoles section or fewer. An inquiry which exceeds the standard will have negotiated completion dates.

b) Inquiry Review – Poles. U S WEST will provide the name and contact number for the appropriate local field engineer for joint validation of the poles and route within ten (10) calendar days of the request. The U S WEST field engineer will be informed of CLEC’s needs and will report back on the number of poles, pole condition and Make-Ready work, if desired. A statement of the Make-Ready costs, number of poles and lease rates will be provided to CLEC within thirty-five (35) calendar days of the completion of the joint survey when 100 or fewer poles are involved. The Pole quotation shall be valid for ninety (90) calendar days. U S WEST will charge CLEC for field engineer time.

10.8.4.3 Request – Innerduct. CLEC will review the Inquiry results and determine whether to proceed with verification. If desired, CLEC will sign and return Attachment 1 of the General Information document along with a check for the estimated verification costs. Upon payment of the estimated verification costs, U S WEST will provide the requested information which may or may not include the following as appropriate: a review of public and internal right-of-way records for restrictions and to identify to CLEC what additional right of way permission is required; a field survey and site investigation of the innerduct,

including the preparation of distances and drawings, to determine availability of existing innerduct; identification of Make-ready costs required to provide innerduct; the schedule in which the Make-ready work will be completed; and, the annual recurring prices associated with the attachment of facilities. Such estimates shall be provided and shall be completed within thirty-five (35) calendar days for a standard inquiry of thirty (30) Utility Hole sections or less, or as negotiated between U S WEST and CLEC identified in the Cost Quotation.

10.8.4.4 Order – Poles and Innerduct. Upon completion of the procedures described above, U S WEST shall provide CLEC a statement of Make-ready costs and yearly lease rates. The review, signing and return of Attachment 2 of the General Information document along with payment of the Make-ready and prorated lease charges for the current year shall be accepted as an Order for the attachment or occupancy. Upon receipt of the accepted Order from CLEC and applicable payment for the Make-ready fees identified, U S WEST will assign CLEC's requested space and complete the make-ready work which may be required. U S WEST will notify CLEC when poles/innerduct are ready for attachment of facilities.

10.8.4.5 The estimated costs included in the Request Quotation are used to cover the actual costs incurred by U S WEST in determining if innerduct space is available to meet CLEC's request. Likewise, estimates of Make-ready in the Order are used to cover actual costs. However, CLEC will be responsible for payment of the actual costs determined if such costs exceed the estimate by 10%. If the actual costs are less than the estimate, an appropriate credit for the difference will be issued upon request within 30 days following completion of the work. If U S WEST denies the poles/innerduct, ROW-request, U S WEST shall do so in writing, within forty-five (45) days following the request specifying the reasons for denial along with all relevant evidence and supporting information and will also refund the difference between the costs incurred and those prepaid by CLEC, if any, with such denial.

10.8.4.6 For the period beginning at the time of the making of a granted inquiry and ending ninety (90) days following the grant of an inquiry, U S WEST shall reserve such available poles, ducts, conduit, and right of way for CLEC that CLEC may reasonably request. CLEC shall pay an appropriate reservation fee mutually agreed upon by the Parties for such reservation and shall elect whether to accept the poles, ducts, conduits, or right of way within the ninety (90) day period following the granting of the inquiry. CLEC may accept such facilities by sending written notice to U S WEST and if accepted the reservation fee will be credited toward the yearly lease rates.

10.8.4.6.1 During the reservation period, if another party, including U S WEST, makes a bona fide and good faith request for the use of any poles, ducts, conduits or right of way that CLEC has previously reserved, CLEC shall have a "right of first refusal" over these facilities. If CLEC chooses to exercise its right of first refusal, it shall do so by providing U S WEST written notice of same within ~~ten (10)~~ 30 (thirty) business days

following receipt of written notice from U S WEST advising CLEC of the bona fide and good faith request.

10.8.4.6.2 To ensure proper use of reserved facilities, after the expiration of the reservation period or upon exercise of its right of first refusal, whichever occurs earlier, CLEC must begin paying the rates for access (whether or not it has actually installed or attached facilities) provided that all requested Make-Ready work, if any, is paid for and completed and the poles, conduit or ROW are ready for attachment or occupancy by CLECs, and shall begin construction on the facility within six (6) months or release its reservation.

10.8.4.6.3 After acceptance by CLEC, CLEC shall have six (6) months to begin attachment and/or installation of its facilities to the poles, ducts, conduit and right of way or request U S WEST to begin Mmake-Ready or other construction activities. Any such construction, installation or Mmake-Ready by CLEC shall be completed by the end of one (1) year after written notice of acceptance. CLEC shall not be in default of the six-month or one-year requirement above if such default is caused in any way by any action, inaction or delay on the part of U S WEST or its affiliates or subsidiaries.

10.8.5 Billing

CLEC agrees to pay U S WEST poles/innerduct preparation charges in advance and usage fees in arrears ("Fees") as specified in the Request and Order (Attachment 1 and Attachment 2 of the General Information Document). Fees will be computed in compliance with applicable local, state and federal guidelines. Such Fees will be assessed on an annual basis. Annual Fees will be assessed as of January 1 of each year and shall be paid within 30 days following receipt of invoices therefor. Fees are not refundable except as expressly provided herein.

10.8.6 Maintenance and Repair

In the event of any service outage affecting both U S WEST and CLEC, repairs shall be effectuated on a nondiscriminatory basis as established by local, state or federal requirements. Where such requirements do not exist, repairs shall be made in the following order: electrical, telephone (EAS/Local), telephone (long distance), and cable television, or as mutually agreed to by the users of the affected poles/innerduct.

ATTACHMENT 2

**STATEMENT OF GENERALLY AVAILABLE
TERMS AND CONDITIONS FOR INTERCONNECTION,
UNBUNDLED NETWORK ELEMENTS, ANCILLARY SERVICES,
AND RESALE OF TELECOMMUNICATION SERVICES
PROVIDED BY
U S WEST COMMUNICATIONS, INC.
IN THE STATE OF ARIZONA
(FIRST REVISED)**

* * *

4.11 "Central Office Switch" means a switch used to provide Telecommunications Services, including, but not limited to:

4.11.1 ~~"End Office Switches" which are used to terminate end user station loops for the purpose of interconnecting to each other and to trunks from which End Users' Telephone Exchange Services are directly connected and offered; and~~

4.11.2 ~~4.11.2~~ "Tandem Office Switches" which are used to connect and switch trunk circuits between and among other Central Office Switches. CLEC switch(es) shall be considered a Tandem Office Switch to the extent such switch has the capability of serving the same geographic area as US West's Tandem Office Switch. Access tandems provide connections for exchange access and toll traffic, while local tandems provide connections for EAS/Local traffic.

Central Office switches may be employed as combination End Office/Tandem Switches.

* * *

4.22 "Exchange Service" or Extended Area Service ((EAS)/Local Traffic) means traffic that is originated and terminated within the local calling area ~~as defined by U S WEST's then current EAS/local serving areas, as determined by the Commission.~~

* * *

7.3 Reciprocal Compensation

7.3.1 Interconnection Facility Options

The Reciprocal Compensation Provisions of this SGAT shall apply to the exchange of Exchange Service (EAS/Local) traffic between CLEC's network and U S WEST's network. Where either Party acts as an IntraLATA Toll provider, each Party shall bill the other ~~symmetrical rates using U S WEST's Tariffed Switched Access rates as a surrogate~~ the billing Party's tariffed Switched Access rates. Where either Party

interconnects and delivers traffic to the other from third parties, each Party shall bill such third parties the appropriate charges pursuant to its respective Tariffs or contractual offerings for such third party terminations. Absent a separately negotiated agreement to the contrary, the Parties will directly exchange traffic between their respective networks without the use of third party transit providers.

7.3.1.1 Entrance Facilities

7.3.1.1.1 Recurring and nonrecurring rates for Entrance Facilities are specified in Exhibit A and will apply for those DS1 or DS3 facilities dedicated to use by LIS.

7.3.1.1.2 If CLEC chooses to use an existing facility purchased as Private Line Transport Service from the state or FCC Access Tariffs, the rates ~~from those Tariffs will apply~~ shall be ratcheted to reflect the local usage and the recurring rate for Entrance Facility (EF) shall be priced at the TELRIC based rates contained in Exhibit A.

7.3.1.1.3 If the Parties elect to establish LIS two-way trunks, for reciprocal exchange of Exchange Service (EAS/Local) traffic, the cost of the LIS two-way facilities shall be shared among the Parties by reducing the LIS two-way EF rate element charges as follows:

7.3.1.1.3.1 The provider of the LIS two-way EF will initially share the cost of the LIS two-way EF as follows: (i) for augmentation of an existing trunk group, the initial relative use factor will be the relative use of the existing trunk group for the quarter immediately prior to the establishment of the new trunk group, or (ii) for establishment of a trunk group in a new market where no traffic has been exchanged, the Parties shall bill each other three (3) months in arrears based on the relative use of the trunk groups for the three (3) months prior. The nominal charge to the other Party for the use of the EF, as listed in Exhibit A, shall be reduced by this initial relative use factor. Payments by the other Party will be according to the initial relative use factor for one quarter. Thereafter, the relative use factor will be adjusted on a quarterly basis based upon actual minutes of use data for all local traffic by assuming an initial relative use factor of 50% for a minimum of one quarter. The nominal charge to the other Party for the use of the EF, as described in Exhibit A, shall be reduced by this initial relative use factor. Payments by the other party will be according to this initial relative use factor for a minimum of one quarter. The initial relative use factor will continue for both bill reduction and payments until the Parties agree to a new factor, based upon actual minutes of use data for non-ISP traffic to substantiate a change in that factor. Once negotiation of a new factor is finalized, the bill reductions and payments will

~~apply going forward, for a minimum of one quarter. By agreeing to this interim solution, the parties do not waive their position that traffic delivered to Enhanced Service Providers is interstate in nature.~~

7.3.1.2 Collocation

~~7.3.1.2.1 7.3.1.2.1~~ When Collocation is used to facilitate interconnection, the EICT rate elements, as specified in Exhibit A, will apply per DS1 and DS3.

~~7.3.1.2.2~~ The provider of the Collocation EICT will share the cost of the EICT as follows: (i) for augmentation of an existing trunk group, the initial relative use factor will be the relative use of the existing trunk group for the quarter immediately prior to the establishment of the new trunk group, or (ii) for establishment of a trunk group in a new market where no traffic has been exchanged, the Parties shall bill each other three (3) months in arrears based on the relative use of the trunk groups for the three (3) months prior. The nominal charge to the other Party for the use of the EICT, as listed in Exhibit A, shall be reduced by this initial relative use factor. Payments by the other Party will be according to the initial relative use factor for one quarter. Thereafter, the relative use factor will be adjusted on a quarterly basis based upon actual minutes of use data for all local traffic.

7.3.2 Direct Trunked Transport

7.3.2.1 Either Party may elect to provision one-way trunks to the other Party's end office for the termination of traffic.

7.3.2.2 Either Party may elect to purchase Direct Trunked Transport from the other Party.

7.3.2.2.1 Direct Trunked Transport (DTT) is available between the Serving Wire Center of the POI and the terminating Party's tandem or end office switches. The applicable rates are described in Exhibit A. DTT facilities are provided as dedicated DS3 or DS1 facilities.

7.3.2.1.2 When DTT is provided to a local tandem for Exchange Service (EAS/Local) traffic, or to an access tandem for Exchange Access (IntraLATA Toll) or Jointly Provided Switched Access traffic, the applicable DTT rate elements apply between the Serving Wire Center and the tandem. Additional rate elements for delivery of traffic to the terminating end office are Tandem Switching and Tandem Transmission. These rates are described below.

7.3.2.2.3 Mileage shall be measured for DTT based on V&H coordinates between the Serving Wire Center and the local/access tandem or end office.

7.3.2.2.4 Fixed Charges per DS1 or DS3 and per mile charges are defined for DTT in Exhibit A of this SGAT.

7.3.2.3 If the Parties elect to establish LIS two-way DTT trunks, for reciprocal exchange of Exchange Service (EAS/local) traffic, ~~the cost of the LIS two-way DTT facilities shall be shared among the Parties by reducing the LIS two-way DTT rate element charges as follows:~~the provider of the LIS 2-way DTT will share the cost of the LIS 2-way DTT as follows: (i) for augmentation of an existing trunk group, the initial relative use factor will be the relative use of the existing trunk group for the quarter immediately prior to the establishment of the new trunk group, or (ii) for establishment of a trunk group in a new market where no traffic has been exchanged, the Parties shall bill each other three (3) months in arrears based on the relative use of the trunk groups for the three (3) months prior. The nominal charge to the other Party for the use of the DTT, as listed in Exhibit A, shall be reduced by this initial relative use factor. Payments by the other Party will be according to the initial relative use factor for one quarter. Thereafter, the relative use factor will be adjusted on a quarterly basis based upon actual minutes of use data for all local traffic ~~(a) The provider of the LIS two-way DTT facility will initially share the cost of the LIS two-way DTT facility by assuming an initial relative use factor of 50% for a minimum of one quarter. The nominal charge to the other Party for the use of the DTT facility, as described in Exhibit A, shall be reduced by this initial relative use factor. Payments by the other party will be according to this initial relative use factor for a minimum of one quarter. The initial relative use factor will continue for both bill reduction and payments until the Parties agree to a new factor, based upon actual minutes of use data for non-ISP traffic to substantiate a change in that factor. Once negotiation of new factor is finalized, the bill reductions and payments will apply going forward, for a minimum of one quarter. By agreeing to this interim solution, the parties do not waive their position that traffic delivered to Enhanced Service Providers is interstate in nature.~~

7.3.2.4 Multiplexing options (DS1/DS3 MUX) are available at rates described in Exhibit A.

7.3.3 Trunk Nonrecurring Charges

7.3.3.1 Installation nonrecurring charges may be assessed by the provider for each LIS trunk ordered. U S WEST rates are specified in Exhibit A.

7.3.3.2 Nonrecurring charges for rearrangement may be assessed by the provider for each LIS trunk rearrangement ordered, at one-half the rates specified in Exhibit A.

7.3.4 Exchange Service (EAS/local) Traffic

7.3.4.1 End Office Call Termination

The per minute of use call termination rates as described in Exhibit A of this SGAT will apply reciprocally for Exchange Service (EAS/Local) traffic terminated at a U S WEST or CLEC end office.

7.3.4.1.2 For purposes of call termination, the CLEC switch(es) shall be treated as Tandem Office Switch(es) to the extent that such CLEC switches(es) has the capability of serving the same geographic area as US West's Tandem Office Switch~~end office switch(es), unless CLEC's switch(es) meet the definition of tandem switch in this SGAT.~~

~~7.3.4.1.3 As set forth above, the Parties agree that reciprocal compensation only applies to Exchange Service (EAS/Local) Traffic and further agree that the FCC has determined that traffic originated by either Party (the "Originating Party") and delivered to the other Party, which in turn delivers the traffic to the enhanced service provider (the "Delivering Party") is interstate in nature. Consequently, the Delivering Party must identify which, if any, of this traffic is Exchange Service (EAS/Local) Traffic. The Originating Party will only pay reciprocal compensation for the traffic the Delivering Party has substantiated to be Exchange Service (EAS/Local) Traffic. In the absence of such substantiation, such traffic shall be presumed to be interstate.~~

7.3.4.1.4 Neither Party shall be responsible to the other for call termination charges associated with third party traffic that transits such Party's network.

7.3.4.2 Tandem Switched Transport

7.3.4.2.1 For traffic delivered through a U S WEST or CLEC local tandem switch (as defined in this SGAT), the tandem switching rate and the tandem transmission rate in Exhibit A shall apply per minute in addition to the end office call termination rate described above.

7.3.4.2.2 Mileage shall be measured for the tandem transmission rate elements based on V&H coordinates between the local tandem and terminating end office.

7.3.4.2.3 When CLEC terminates traffic to a U S WEST remote office, tandem transmission rates will be applied for the mileage between the U S WEST host office and the U S WEST remote office.

7.3.5 Miscellaneous Charges

7.3.5.1 Cancellation charges will apply to cancelled LIS trunk orders, based upon the critical dates, terms and conditions described in Arizona State

Access Tariff, section 5.2.3, and the Trunk Nonrecurring Charges referenced in this SGAT.

7.3.5.2 Expedites for LIS trunk orders are allowed only on an exception basis with U S WEST executive approval within the same timeframes as U S WEST provides for other designed services. When expedites are approved, expedite charges will apply to LIS trunk orders based on rates, terms and conditions described in Exhibit A.7.3.5.3 Construction charges are described in Exhibit A of this SGAT.

7.3.6 Exchange Access (IntraLATA Toll) Traffic. The Applicable billing Switched Access rates of each Party ~~U S WEST Switched Access Tariff rates~~ apply to IntraLATA toll traffic routed to an access tandem, or directly to an end office.

7.3.7 Transit Traffic.

The following rates will apply:

7.3.7.1 Local Transit: The applicable LIS tandem switching and tandem transmission rates contained in Exhibit A of this SGAT, apply to the originating ~~CLEC~~ Party.

7.3.7.2 IntraLATA Toll Transit: The applicable U S WEST Tariffed Switched Access tandem switching and tandem transmission rates apply to the originating CLEC or LEC. The assumed mileage contained in Exhibit A of this SGAT shall apply.

7.3.7.3. Jointly Provided Switched Access: The applicable Switched Access rates will be billed by the Parties to the IXC based on MECAB guidelines and their each Party's respective FCC and state access Tariffs.

7.3.8 U S WEST and CLEC are required to provide each other the proper signaling information (e.g., originating call party number and destination call party number, etc.) to enable each Party to issue bills in a complete and timely fashion. All CCS signaling parameters will be provided including Calling Party Number (CPN), originating line information (OLI), calling party category, charge number, etc. All privacy indicators will be honored. If either Party fails to provide CPN ~~(valid originating information) or reasonable alternative (i.e., charge-to-number)~~, and cannot substantiate technical restrictions (i.e., MF signaling) such traffic will be billed as Switched Access. ~~Traffic sent without CPN (valid originating information) will be handled in the following manner. Transiting provider will be responsible for only its portion of this traffic, which will not exceed more than 5% of the total Exchange Service (EAS/Local) and Exchange Access (IntraLATA Toll) traffic delivered to the other party.~~